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courage is contagious

Viewing cable 09QUITO23, ECUADORIAN TRADE WITH IRAN

If you are new to these pages, please read an introduction on the [structure of a cable](#) as well as how to [discuss them](#) with others. See also the [FAQs](#)

Understanding cables

Every cable message consists of three parts:

- The top box shows each cables unique reference number, when and by whom it originally was sent, and what its initial classification was.
- The middle box contains the header information that is associated with the cable. It includes information about the receiver(s) as well as a general subject.
- The bottom box presents the body of the cable. The opening can contain a more specific subject, references to other cables ([browse by origin](#) to find them) or additional comment. This is followed by the main contents of the cable: a summary, a collection of specific topics and a comment section.

To understand the justification used for the classification of each cable, please use this [WikiSource](#) article as reference.

Discussing cables

If you find meaningful or important information in a cable, please link directly to its unique reference number. Linking to a specific paragraph in the body of a cable is also possible by copying the appropriate link (to be found at the paragraph symbol). Please mark messages for social networking services like Twitter with the hash tags **#cablegate** and a hash containing the reference ID e.g. **#09QUITO23**.

Reference ID	Created	Released	Classification	Origin
09QUITO23	2009-01-15 17:07	2011-08-30 01:44	CONFIDENTIAL	Embassy Quito

Appears in these articles:

<http://www.eluniverso.com/2011/04/12/1/1355/cable-187399.html>

VZCZCXYZ0000
RR RUEHWEB

DE RUEHQT #0023 0151707
ZNY CCCCC ZZH
R 151707Z JAN 09
FM AMEMBASSY QUITO
TO RUEHC/SECSTATE WASHDC 9865
INFO RUEHBO/AMEMBASSY BOGOTA 7918
RUEHCV/AMEMBASSY CARACAS 3341
RUEHLP/AMEMBASSY LA PAZ JAN LIMA 2982
RUEHGL/AMCONSUL GUAYAQUIL 4027
RUCPDO/DEPT OF COMMERCE WASHDC
RUEATRS/DEPT OF TREASURY WASHDC

C O N F I D E N T I A L QUITO 000023

SIPDIS

USTR FOR BENNETT HARMAN

E.O. 12958: DECL: 01/16/2019
TAGS: [ETRD](#) [ECON](#) [EFIN](#) [IR](#) [EC](#)
SUBJECT: ECUADORIAN TRADE WITH IRAN

REFTEL A: 08 Quito 1162
B: 08 State 114408

Classified by:...

id: 187399
date: 1/15/2009 17:07
refid: 09QUITO23
origin: Embassy Quito
classification: CONFIDENTIAL
destination: 08QUITO1162|08STATE114408
header:
VZCZCXYZ0000
RR RUEHWEB

DE RUEHQT #0023 0151707
ZNY CCCCC ZZH
R 151707Z JAN 09
FM AMEMBASSY QUITO
TO RUEHC/SECSTATE WASHDC 9865
INFO RUEHBO/AMEMBASSY BOGOTA 7918
RUEHCV/AMEMBASSY CARACAS 3341
RUEHLP/AMEMBASSY LA PAZ JAN LIMA 2982
RUEHGL/AMCONSUL GUAYAQUIL 4027
RUCPDO/DEPT OF COMMERCE WASHDC
RUEATRS/DEPT OF TREASURY WASHDC

----- header ends -----

C O N F I D E N T I A L QUITO 000023

SIPDIS

USTR FOR BENNETT HARMAN

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REFTEL A: 08 Quito 1162
B: 08 State 114408

Classified by: DCM Andrew Chritton, Reasons 1.4 (b) and (d).

11. (C) Summary: Following his participation in President Correa's trip to Iran in December, an Ecuadorian business leader explained to Emboff how potential commerce with Iran could work. To disguise trade with Iran, goods would be routed through Singapore and payments through Dubai. Funds from the Export Development Bank of Iran loan to Ecuador were not yet available; the Embassy plans to notify Ecuador's business community of the Bank's status as U.S.-designated. End Summary.

12. (C) At the end of December, Emboff met with the head of Ecuador's public-private export promotion agency, Ricardo Estrada, who accompanied President Correa on his December 5-9 trip to Iran. The visit of Correa's 95-member delegation, the first by an Ecuadorian president, was part of his effort to increase political and economic ties with Iran (ref A). Estrada discussed the trip and how trading with Iran could potentially work.

13. (C) During the visit, the Export Development Bank of Iran (EDBI) approved a \$40 million line-of-credit for Ecuador. Estrada told us that his understanding was that the EDBI loan was only for imports from Iran, although he had not been involved closely with the transaction. At the end of December, as far as he knew, the funds were not yet available to Ecuador.

14. (C) Estrada explained how trading with Iran would physically occur. The trade would be circuitous so that transactions would not be readily identifiable as being with Iran. Trade would be routed through Singapore, which he reported was Iran's logistics hub. He said that Iran had a very large fleet of cargo ships (147 vessels) based in Singapore. For example, an Iranian ship could bring urea (powdered fertilizer) to Ecuador, possibly receive subsidized fuel in Ecuador (per Correa's offer to subsidize trade between the two countries), and return with a shipload of Ecuadorian bananas. Fertilizer and bananas were the most likely products to be traded, he

claimed, and noted that it would be inexpensive to ship from Ecuador using Iran's fleet and that bananas could easily last 30 days in transit. Payments would be routed through Dubai, reportedly Iran's money hub, he said.

STATISTICS ON ECUADOR'S TRADE WITH IRAN

15. (C) According to data from Ecuador's Central Bank, trade with Iran increased significantly in 2008, virtually all of which was imports of petroleum derivatives from Iran. Ecuadorian exports to Iran were zero in 2006 and 2007. In 2008, Ecuador exported \$14,000 worth of goods to Iran; almost all of this was citrus fruit purees, with \$110 worth of roses exported. Companies that exported to Iran in 2008 were Industrias Borja Inborja, S.A., and Terraroses CIA., Ltda. In 2007 Ecuador imported \$21,000 in construction stone (alabaster, etc). In 2008, with the bulk of imports starting in August, Ecuador imported \$201.3 million from Iran, with \$201 million of that being petroleum derivative products. Petroecuador (Ecuador's state oil company) is the only recognizable petroleum company listed on the Central Bank list of importers from Iran, and is probably the importer of the petroleum products. Other importers included the Commercial Office of the Iranian Embassy, a few Ecuadorian and Arabic-named companies, and Bristol Myers Squibb of Ecuador (subsidiary of U.S. Bristol Myers Squibb).

COMMENT:

16. (C) Estrada told us that the business people on the trip to Iran were investigating trade opportunities with Iran largely because of pressure from President Correa, but were extremely reluctant to do anything that might jeopardize their business opportunities with the U.S. We have already alerted the GOE to the EDBI designation under E.O. 13382 (ref B). Since it appears that the EDBI loan will be used for imports from Iran, we plan to notify Ecuador's business community of the designation as well, so that they are fully aware of the implications of being involved with the EDBI.

HODGES

=====CABLE ENDS=====